DECLASSIFIED AND RELEASED BY CENTRAL INTELLIGENCE ABENCY SOURCES METHODS EXEMPTION 3828 NAZIWAR CRIMES BISCLOSURE ACT DATE 2007

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Operational/IPPER

Chief of Viction, Frenkfurt

LOPLUTTER Testing of Emerica OFCZARER

FEB 14 1962

Reference: SPULL 6029; ECQL-15627; HOLA-3078/Lynnia

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MART STILTY

UTILITY has categorically repudiated the ICFLUTTER technique, and in the specific case of OFCZA FK, has from the outset placed no credence in the unsatislactory findings of the test. He action whatseever was proposed or even centemplated by ZIPPER; for quite other reasons (lack of full-time work for BV S), it is now planned other reasons (lack of full-time work for BV 3), it is now planned to transfer OVCZAIGK — at his own request — to the position of CI/CE deputy of GV C. POB staff favors this, as it will tend to restrict OVCZAIGK to support of operations about which we are informed. There are a few points in the report of IGTUTTER test about BV separations which are inaccurate or misleading, and it is suspected that hat the recurrence of GCZAIGE's hasi Party record are het correct. Decurentary records of GCZAIGE's hasi Party record are being sought. Whe is acquainted in some measure with the FCMCER/VERSER case, does not believe that CCZAIGER is essentially any particular information regarding it. CFCZARK is concealing any partinent information regarding it, and the interregation of PAGER and VERBER cortainly does not inplicate CFCZA EK in any but a nest peripheral memoer, in that he was evidently mentioned to 1000FR by Willi MOSTIL. Research of the security cases against Dr. Rurf MESSEST and Dr. Rurf MOLL, supposed communist against, with whem CFCZAREK is allegedly calaborating, has shown that both cases are open to question, with memory of the second no really firm evidence (although there are grounds for suspicion), and has also demonstrated that all reports stem from the same sources, and have reached U.S. authorities primarily through SACCS... SAHN and MILLEWATTL, neither of whem could be characterised as importial in the question of WCZARZK. Since it has also been found that the reports about 38 SIMI and RMCIL invariably stress the alleged ties of these two to OFCTATON, rather than confining themselves to reporting of evidence bolstring the security cases against either AFT FIFT or KNOLL, it is presented as a possibility that OFCZANEK is at least partly the subject of a demunciation campaign. In the opinion of LOTILITEM operators with whom OFCZAREK's test war discussed, retest on ICYLITER could only be remunerative if we could preduce evidence of a blatant lie by C.C.L.M.K., but our investigation to date has convinced us that the cossibility of our finding such evidence is unlikely in the extreme. Since CDLITT

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will mover permit a re-test anyway, and adheres to OFCIARR, we must regard the case as at less dermant, and centent ourselves with favoring OFCIARRE with such elece attention as is possible under the elecustances possible to the FOB-ZIPPER relationship.

- 2. UTILITY was inferred almost immediately in general terms of the results of Subject test, and of course also had a report, probably including the exact questions asked, from CrCLARK, Frequently CrCLARK provided both UTILITY and O RLAUSHURWITH an explanation of varied points raised in the test, but we have not been apprised of such explanation. Nor do we know whether OFCSART, was able to identify, from his own physical sensetions, those questions which we regard as unsatisfactorily assured.
- 3. TIPPEA's basic reaction has been to credit us with foul play. They have assumed us of utilising the denunciation technique, and stress that we decry Dr. filtelm Highli as utterly unreliable, on the one hand, and apparently accept MONTTL's charges against t. CHALLY on the other. We are accreely in a position to inform 2077/A that these charges against CTCLARER were levied by ONONCEARER long before Fills "CTTL began to spread them, and, at the time of the test, that it actually appeared that clarges of cellaboration by FCLA.EX with highly suspect individuals were confirmed by several sources. (WOSTELL has in fact contributed nething new to these charges; it is evident that he has obtained, perhaps through Anton MORE, or perhaps from Anton MILLE or One Pritary ANT TORRES, the identical reports substituted by UNICEDAM nearly two years carlier.) It KLA. NOT was visibly startled, it is true, to learn that COCANTA admitted further use of Dr. Fort and OLEY during the test, since the charges of collaboration between GCZANEK and Wil RLII and Dr. Kurt ENGLL, Jr., had been discussed with O NLA: Se's during the suggest of 1952, and it would appear I FLG: Note told crozzing to drop both. This patter sireed down w KLAUSHRIE. objections to the questions posed, but he is still quite indignant about the whele affair. One could scarcely anticipate any other reaction from a MIANTER, however, eines he and OFCZARFX are close personal friends, attended the University sity of VIKHTA together (HOSTIL was in the same class, too), and he has definitely spensored OFCZAPEK through the painful history of ZIFFER in Austria. Another interesting sidelight to the case is UTILITY's initial statement that he did not trust OFCZAREK more than 50% in any case, but that this was sufficient for UTILITI's purposes.
- is. There is a plan in embryonic stage to change CYCLA RE's assignment, but this has arisen from CYCLARE's own discontant with his current job. In fact, BY S is not everloaded with work, and is in any case prohibited from any CE activities other than routine police, neighborhood, and surveillance checks of specified individuals, about whose connections to AIPPER or to active eases

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BY S is usually not informed. OrGZARKE has therefore proposed that he become CI/CE Officer of CV C, and we ELACTE in has informed up that this change will probably be made, but not until the whole question of BV S is resolved. (EIP-PER is toging with the idea of making all BV S subordinate to GV C, but feare this will reduce the objectivity of the group is providing GI/CE protection for operations of other groups in Austria, and also feare other groups will be even loss rough to reveal their sporations in Austria to the BV S group if it is subordinate, in a sense, to a competitive ZIPPER operational group. We plan to discuss this proposal, when it reaches the discussion stage, only in the fransment of the entire question of ZIPPER operations in Austria, as we have no desire to re-create, albeit socidentally, a OV A in the course of directing GV O's efforts almost entirely into Austria.)

5. With regard to the questions asked on the tests

a. States that OFCZARKK is running sees areats in the satellites, "metably a customs official in Hungary and an afficial of the Ministry of Interior in Tugoslavia" (pera. 2, third reference). This statement we believe to be based on sees misunderstanding on part. OFCZARK has been specifically queried on this point, and denies that such information exist; certainly the BV? reports we receive (estensibly representing the total subput of IV 8) do not reflect such contests. OFCZARK does run an Austrian berder official, V-707), who escantenally accompanies trains from Austria to HECKTIALON, insectably across the herder in Hungary, from whom a tid-bit or two concerning trains or equipment seen in the SR station have been received. As to the Yungelsv "operation", V-5072 has a relative who works in what DFCZARKE describes as the "Office of the Ministry of Interior in LAIBACH", and it is considered possible to achieve contact should this be desired. OFCZARKE denies that any action has been taken in this direction as yet.

b. If propert of GFCFARK's hasi-Party record is securete, then OFCFARK's disconfiture during the test may well be explainable on this point alone. According to all our records, OFCFARK was a scalar of the Fatherland Front (electroalint-dominated pro-inschluss Fasciet ruling group in Austria), and did not become a member of the HOAF until 1 May 1938. He was taken prisoner by U.*. Forces at the end of the war, but released almost inmediately (6 June 1965) by VI Corpe Artillery. (He may have posed as a line officer - first lieutement - and concealed his Abouhr affiliation to secure his release.) He was demanified under Austrian law (decree dated 5 September 1967) as "not subject (might betraffen) to the Austrian Prohibition Law" - the law which severs illegal activity on behalf of the party, i.e., numbership in the NOAF prior to 13 March 1930. He also alates "maximal" membership in the SS, in that he applied for membership between 1938 and 1940, but was never transferred to the RS, and served the entire wer as a member of the forman Army. Clearly, if GFCFARK "joined the Nasi Farty in Austria in 1935, and was obviously coits active in the party, prior to the Amenhuse as well as after", and his entire legal position in Austria in based on quickemed. We have initiated appropriate checks (including GRKENGICCHAE) regarding OFCZARK's Mani history, but off-hand are inclined to think () version insecurate, if only because OFCZARK's would probably not make so damaging an

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admission to an American official.

e. Megarding (YCEAHEY's involvement in, or knowledge of the FCHORE/ VYRRER Case, version contains miner insecuracios. O'CZAREK mainteins he first home of PCMCRR following a chance meeting with Dr. Willi MOFIEL at the Austrian horder-crossing point on the MUNICE Autobehn on 21 October 1952. HOTTE did not introduce his American friends to OFCZAMER, but morely indicated that he was just returning from a trip to STUTTOART; the conversation then turned to the perennial question of the peccipility of finding HUTTE a job with ZIPPER. OFCZARIK metched HORTTE drive every in a Volkswagen with two companions, meted the license member, and returned to the border station (where he obviously is wallesquainted) to shock the ladger reinteined there of private citizens ere ing the person. From this ledger he copied out the names &clter bathin and Kurt 7: ACSA (the latter entry being illegable) with the correct address of each. OF CZAPEK states he did this because he was interested in asyes as sociating with MOTITL, and because he was certain that these people were acquaintances of MORITL, since MCZANEK believes MORITL is h toe proud to hitchhike on the Autobahn. Through his police contacts in VIEW A he determined that the license number was registered to a Volkamagon armed by Walter LAUBER. He then sent a TV 4 operative directly to the spartments of both of these people, estensibly to imquire about a neighbor (we have gently pointed out the dangers inclient to this little trick when the person asked is an American living in a soviet district of VINDRA). The operative thus determined (from the card on the deer), that the correct name was Kurt L. PORGES. OFCRAFFE reported this whole affair to @ KLAUTHYR as a matter involving HONTTL, and bence of interest, but * KLAUSMER did not pass us the reports. When the news release regarding the arrest of PCMGER, VERBER, and LAUBER appeared, O'CZAREK checked his files, and forwarded a special report reminding & KLAUCANA that two of the people had driven NOWITE to Germany in Getober 1952. OFCZASKE first heard of VEMBER from the news release. The writer considers himself fairly familiar with the PMMER/VERSER case, and is satisfied that this "Incident on the Autobahn" is the total involvement of "FCZAHEK in this complex. It may be helpful in assessing ICFLUTTER reactions to the question when put to OFCZAREK, however, to note that

(1) and each had a go, at his respective level, at making strong representations over the failure of SIPPHR to report the MOETTL-FCRESS tie when it was first noticed, and also over the fact that BV ? on ite own initiative would undertake the investigation of U.S. citisens. PFCZAREK probably felt some repercussions of our criticism, and furthermore may have interpreted our complaint as implying suspicion that he was octually involved with PCMGSR.

(2) OFCZARER was advised (presumably by E KLANCE 8) that Albella KITCHBAUM, the former chief of the Deheins Teld rollies, longtime EIFFERIte, and resident of MAD SIGH HALL, where IV C has its offices, apparently was closely linked with NOBER, and that MICHARD was being interregated

in an attempt to determine whether yitting cooperation existed.
OFGRAME this not disclose this to ______ but I have determined that OFCRAME know this before he took the LCFLUTTER toot, so in a some he withhold information, though only from ______ since KNICMAUN's involvement was known to the American staff.

d. Pagarding OFGZARE's association with Kurt RESCRIFT, and the sinister implications thereof, we have initiated an investigation with the sin of determining whether saything rescabling a security case involving TRS FIRT exists. Results so far, although decidedly act conclusive, point noth more strongly to a "poises pen" campaign then to conscientions reporting of suspected energy agents. The near recent williastics of FRSSEIRE by OFGZARE was done in January 1953 through a extent, and FRSSEIREST-NJILERAMS, an editor of the Anishman Restriction, who asked WET RIFT to proper a survey of the Austrian rell Wanaporthtian agrees for "a Next-Orman newspaper". I have seen WET RIFT's letter to REMEMBERE requesting payment, and it cartainly appears that WENNELIES believed a newspaper had requested the article; there is no information suggesting WESTEIR may have an inkling of the centant between SKERHUMERS and OFGIARE. In fact, the article was to be used in an "Ametrican Restriction of TRSCTEIR and possibly was to be used in an "Ametrican Restriction relification of TRSCTEIR, and possibly was unswere of the specific project. Depend this exe-what utilisation (about which, be it noted, OFGIARE himself informed us), we have been unable to prove any other association between them since I December 1950, when TRSCTEIR, the formerly heald the number V-5373, was drapped. To note, too, that WESTEII formerly weeked for a through Servently factorum for Willi MORTIL.

e. Regarding the larger question whether Kurt AE' RLY is in fact a Hungarian or Restorn If operative, we are not as yet able to privide a firm asser, but we have unsuvered a few items decidedly pertinents from Bullings (

(1) All basic reports occusing RESTRIT of such affiliation, regardless of the agendy submitting them (such reports have been pollished by DROSSBARN, VOB, CIC LINE, CIC SALEBURG, and by Willi ROSTEL - who forwarded copies to CAPOTE) have originated with the same source, ONOS-WARN's Dr. Frite van TONORL, resident of ALT AUSSEE, home also of Willi ROSTEL. The reports have been forwarded by van TONORE, to Anten FRILING (LINE outlett), and have also been passed to Anten BORNE, whose association with MOZTEL is a matter of record. ROSTEL has furthermore planted these reports with Johann ANGERER, FALEBURG Palice official who has intelligence connections to UNCS-WARN, CIC SALEBURG, CAPOTE through TORME in 'UNICE, MORTEL via Theoder von ALBERT (CAPOTE operative in SALEBURG), and ZIPPUR'S OV C through Emerical Prother von BOXDERS, that we know of, so occupations against ARESELT are now in Austrian Stape files as well (or may have found their way there via GROSSBARN years ago).

- (2) Purthermore, most of those reports about MESSALT do not confine themselves to accessions of Eastern tice, but rether mandian this almost insidentally, streeping, rather, the alleged close econoction between MESSALT and OFGRANKE. It is east to say that OFGRANKE is not insunsely popular in IS circles in Austria. HOSTIL (who case referred to OFGRANKE as "the destect intelligence operative in Control Europe") is of course anti-OFGRANKE, since OFGRANKE has been a number in good standing of EIFPER since 1966, while ROSTIL has not been able to gain advication to the charmed circle. OROMENANT's vices may be curatical from his departure from EIFFE. long age, remembering that OFGRANKE was Deputy Chief of OF A under MALLETE/DOMMAL, and house to some extent OROMENANT's boss.
- (3) Kest of the "WECGRLY Case" conters on the fact that WECGRLY's wife, Hungarian by birth, returned to Hungary to live with her parents in 1966, when life was indeed very hard in Austria, and when her hundred was held PM by British Ferees. Fallowing his release, WECGRLY unde memorous representations to the Hungarian Legation in VIRNIA, asking that they hence the word given his wife (Austrian citizen by marriage) in 1966 that she would be allowed to leave Hungary whenever she desired. The returned from Hungary legally in 1969. The has also been accoused of returning to Hungary on her Hungarian paceport in 1950. Insector as we have been able to determine, the deep not have a Rungarian paceport, since she is Austrian, but we are checking further. We do know that she was cooking desperately for some means of evacuating her parents from Hungary in 1950 and 1951, in which afforts she was apparently unsuccessful. We are not disregarding the excellent waspen in the hands of the Hungarians represented by continued recidence of her parents (if still alive) in BURAPST, and we are checking the thele case (which apparently has sever been dume), but at the secont the charges appear rether exhapstal.
- f. The question of association between OFCIARE and Dr. Nurt ENGL, Jr. is of seasonet sere sinister aspect, since OFCIARE bisself (according to Laughery) states he believes ENGL, Jr. to have strong Communist sympathics. He are now investigating the "ERGL, Jr. Case", the basic charge in which is that ENGL, Jr. is an active Communist, and was elected a New Steward on a "unity list" of Communists in the <u>Linear Florahandels Goodlinghaff</u>, a branch of the LINE Iran and Steel Forks. In fast, ENGL, Jr. is a member of Bund Scalalistischer Abademirer, a branch of the Ametrican Socialist Parky. Sinds 10 Hourst 1933, in any case, he has been in LONDON as deputy diler of the Ametrican Travel Purson there, having taken this job after the liquidation of the Linear Florahandels Goodlischaff. File checks have been meet terremarking to deter practically the only trace was a recent report by CIC MALEBURG, a repetition of the charge first reported by GROSSMAIN, the obtained it from ANDERES, and we were able to determine without difficulty that CIC ALEBURG also received the report from ANDERES, with the difference that the CIC SALEZANG report had now been emballished, nort probably by Willi HOSTEL via Theodor you/ALERE, with the statement that "ENCLL, Jr. works for CPCHARGE who werks for CRILINE". We are centiming to check on the case, of course, in

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part because KRCLL, Jr.'s new position in LCAPON may be serving several ends, and also because his father, [Pref] Kurf KRCLL, Rr., is a fall-time BV S member, and liver in the small house OFCKAREK maintains on Mendous. OFCKAREK told me he met ERCLL, Jr. on two erassisms while visiting his father in this house, but had mover assepted information from ERCLL, Jr., are even indicated interest in semants about Communist activities in LIME which ERCLL, Jr. velenteered. It is to be presumed that KROLL, Jr. limes what his father does (Austrian press analysis for BV S/ZIFFER), and that he known OFCKAREK is in charge of the group for whose his father works, but the probability of active callaboration between KROLL, Jr. and OFCKAREK would appear to be remote, especially new that KROLL, Jr. is in LONDON.

- g. Considering the sterm which broke about MALLHER/DORMAL's head in 1951 concerning his private finances, leading ultimately to the "disbanding" of CV A, it is not too surprising to us that "PCLARE second when queried about his own finances. We are bearing this point in mind, however, and hope to pather one idea of his financial status through our continued friendly as vocation with him. (Remembering the UJ-DRAGON billy—e, we are not too assigns to ride mally off shocking bank accounts.)
- 7. Finally, we have expressed enthusiasm for the idea of assigning OFCRANKE to GV C. This would direct OFCRANKE's activities more fully into the direct sepport of operations (at present, his specific assignments are rather limited, and his considerable free time is spent "smiffing around" in the Austrian secue, inevitably esusing us unesse, since he may easily cross wires with one or another U.S. operation.) OFCRANKE is certainly well-qualified for the job with OF C, since he speaks Casch and Slovak, knows a little mussion, and served as intelligence efficer with the Russian Volunteer Corpe during the wars GV C will in all probability centers itself in future almost analysively with operations into Cascheelsvakia and with Soviet personnel in Austria. But such a transfer of OFCRASE has the further advantage of placing him in a sensebut nere accorable position for us, since GV C is subordinate to the PI staff, with a leng-established

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procedure of elect Corner-territors staff coordination. In start, our only constraint at the mestal is to watch and waity our whiching, it is true, being consider more intent than it had been prior to the larger than

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